

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4538
ANSWERED ON:23.12.2005
DUTY ON LIFE SAVING DRUGS
Nayak Smt. Archana

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has decided to cut excise duty on drugs;
- (b) if so, the details thereof;
- (c) the present rate of duty on drugs, item-wise, levied by the Government and the proposed and the proposed reduction of duty; and
- (d) the likely impact on the pharmaceutical companies as a result of the cut in excise duty on drugs?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

(a),(b)&(c): At present, medicines attract excise duty @ of 16% advalorem. Specified Life saving drugs, however, are exempt from levy of excise duty. In view of the ensuing budget, no comment is offered on change in duty rates.

(d): does not arise in view of the reply above.